

**REMARKS**

Claims 1, 2, 7, 8 and 10 stand rejected under 35 U.S.C. 102(e) as being anticipated by U.S. Patent No. 5,754,248 (Faroudja). Claims 3 and 9 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Faroudja. Claims 4-6 stand rejected as unpatentable over Faroudja in view of U.S. Patent No. 6,600,517 (He et al.). Claims 1 and 7 are independent.

The drawings have been amended as required or suggested in the in the Office Action. Accordingly, removal of this objection is respectfully requested.

The specification has been objected to for lacking section headings. Applicants respectfully submit that 37 CFR §1.77(b) discloses a *suggested* format for the arrangement of the disclosure. Applicants respectfully submit that the present disclosure follows the suggested format where applicable. With regard to 37 CFR§1.77(c), which was not cited in the Office Action, Applicants respectfully submit that section headings are suggested but not required, as 37 CFR §1.77(c) clearly states the sections defined in paragraphs (b) (1) through (b) (11) “should” be preceded by a section heading. Applicants respectfully decline at this time to amend the disclosure to include same.

On the merits, Applicants respectfully submit that the pending claims, as amended, are patentable for at least the following reasons.

Claims 1 and 7 have been amended to recite a compressed encoded SIF (source input format) video signal, e.g., a low-bit rate signal. (See page 1, lines 13-23).

In contrast, as understood by Applicants, Faroudja relate to a universal video disc record and playback employing motion signals for high quality playback of non-film sources. For example, Fig. 15 and col. 12, lines 33-51 refer to an HDTV video source.

Since Faroudja does not teach or suggest all of the features of amended independent claims 1 and 7, as recited above, applicant respectfully submits that these claims are allowable and patentable under 35 U.S.C. § 102.


Claims 2-6 and 8-10 in this application are each dependent from one or the other of independent claims discussed above and are, therefore, believed allowable and patentable under 35 U.S.C. § 102 and 103 for the same reasons.

A review of the other art of record has failed to reveal anything which, in the applicants' opinion, would remedy the deficiencies of the art discussed above as referenced against the claims now present in this application. The claims are, therefore, believed patentable over the art of record.

For all the foregoing reasons, it is respectfully submitted that all the present claims are patentable in view of the cited references. A Notice of Allowance is respectfully requested.

Respectfully submitted,

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Date: December 29, 2004

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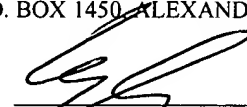
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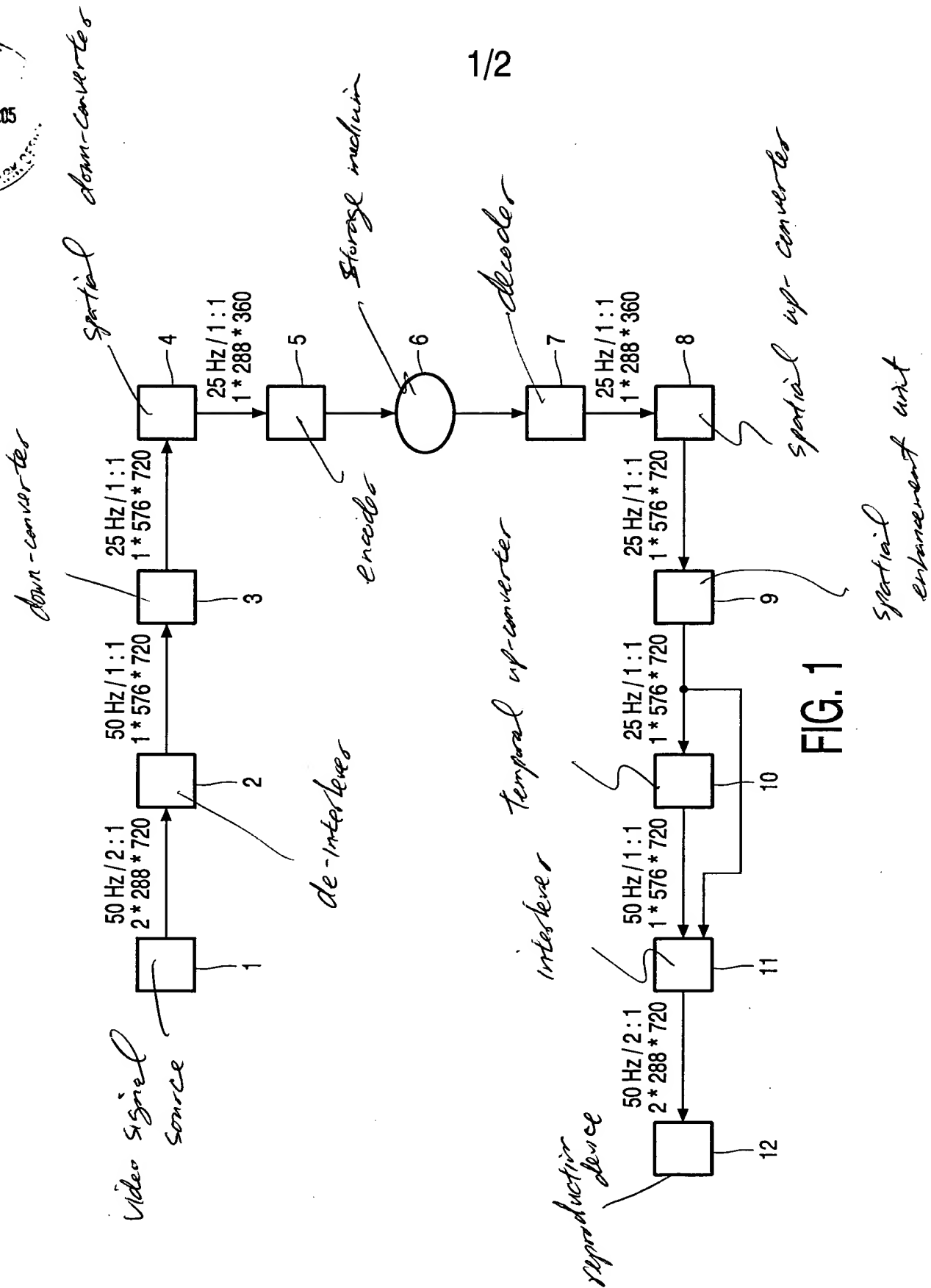
  
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**IN THE DRAWINGS:**

Please amend the drawings as shown in the attached Annotated Marked-up  
Drawings.



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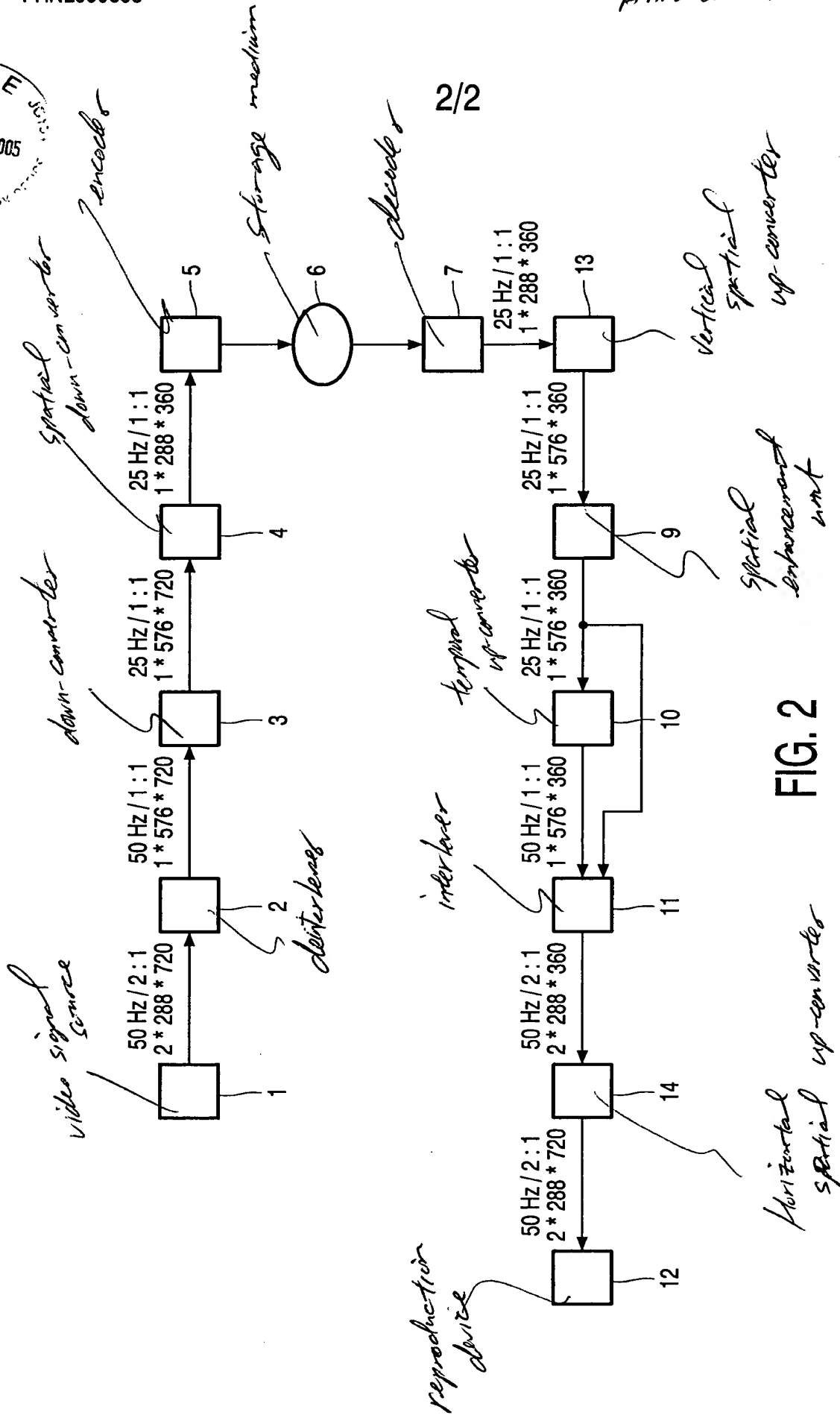


FIG. 2